

AR52

ANNUAL  
REPORT

1966

CALMOR  
IRON BAY MINES  
LIMITED

FORMERLY  
IRON BAY MINES  
LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1966



# **ALMOR** **IRON BAY MINES** **L I M I T E D**

(Formerly Iron Bay Mines Limited)

## **DIRECTORS**

A. C. MOSHER	-	-	-	-	-	-	-	Toronto, Ontario
F. W. GRAHAM	-	-	-	-	-	-	-	Toronto, Ontario
N. S. BEATON	-	-	-	-	-	-	-	Toronto, Ontario
W. J. HOSKING	-	-	-	-	-	-	-	McWatters, Quebec
D. J. HAINS	-	-	-	-	-	-	-	Oakville, Ontario

## **OFFICERS**

A. C. MOSHER	-	-	-	-	-	-	-	-	President
F. W. GRAHAM	-	-	-	-	-	-	-	-	Vice-President
D. A. HUNTLEY, C.A.	-	-	-	-	-	-	-	-	Secretary

## **HEAD OFFICE**

SUITE 1000, MONTREAL TRUST TOWER, 11 KING STREET, WEST  
Toronto 1, Ontario

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## **REGISTRAR TRANSFER AGENT**

Montreal Trust Company  
15 KING STREET, WEST, TORONTO 1, ONTARIO

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## **AUDITORS**

Riddell, Stead, Graham & Hutchison  
Toronto 1, Ontario

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## **BANKERS**

Canadian Imperial Bank of Commerce  
Toronto, Ontario

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## **SOLICITORS**

Holden, Murdoch, Walton, Finlay, Robinson, Pepall & Harvey  
Toronto, Ontario

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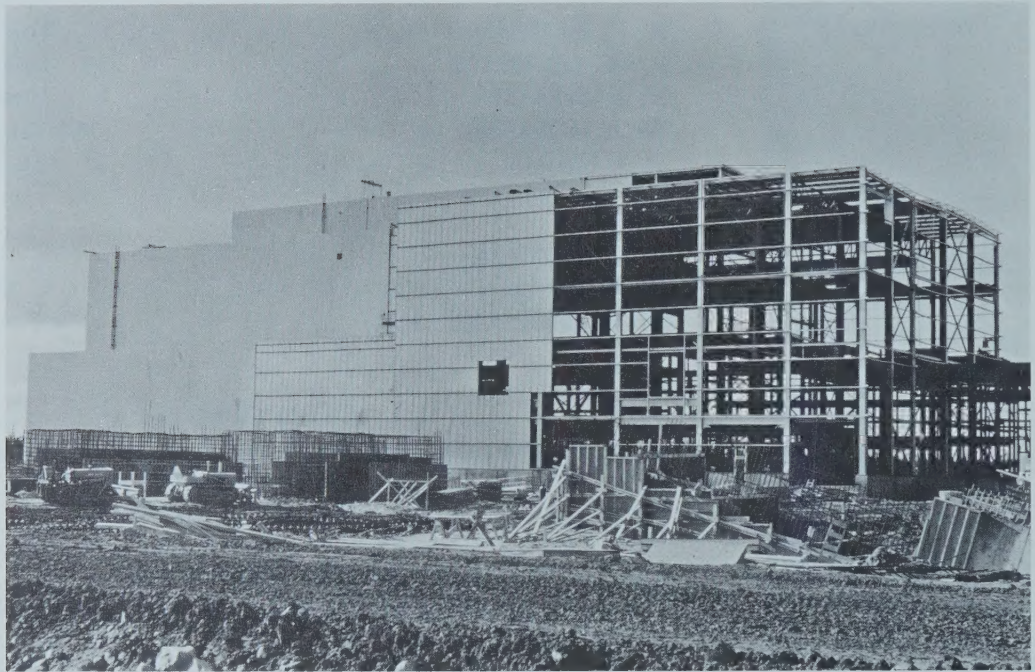
## **ANNUAL MEETING**

April 24, 1967, 9:45 A.M. (Toronto Time)  
Saskatchewan Room, Royal York Hotel  
Toronto 1, Ontario



*Construction progress . . .*

. . . at the Company's iron ore property  
at Bruce Lake, Northwestern Ontario.



Iron ore processing mill under construction at the Griffith Mine.  
Commencement of production by The Steel Company of Canada,  
Limited is anticipated by early 1968.

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*Photograph taken October, 1966.*



(Formerly Iron Bay Mines Limited)

## *President's Report*

TO THE SHAREHOLDERS:

On behalf of the Board of Directors, it is my pleasure to present herewith the Annual Report of the Company for the year ended December 31, 1966.

In the last annual report your Directors expressed their intention to distribute to shareholders 80% of the royalties which would accrue to the Company as a result of the leasing of its iron property to The Steel Company of Canada, Limited. After due consideration, the Board decided that the best way to carry out their intention was to create a Trust to receive and disburse to shareholders 80% of said royalties. The plan for the establishment of such a Trust proved to be very complex and time-consuming; however, the arrangements for the Trust were completed and presented to the shareholders at meetings on December 12 and 14, 1966. The arrangements were accepted and approved by the shareholders and The Iron Bay Trust was established as of December 12, 1966. To avoid confusion with the Trust, the Company name was changed to Calmor Iron Bay Mines Limited. Shareholders of the Company on December 19, 1966, were entitled to receive 1 Trust Share of The Iron Bay Trust and 1 share of Calmor Iron Bay Mines Limited for each 1 share of Iron Bay Mines Limited owned on that date.

As a result of the establishment of the Trust, Calmor now holds a 20% interest in the Bruce Lake property and will receive 20% of the royalties payable under the lease with respect to the property. The Directors consider that this will provide adequate funds for an ambitious exploration program. The Iron Bay Trust holds an 80% interest in the Bruce Lake property and will receive 80% of the royalties under the lease. The terms of the Trust provide that all amounts received by the Trust must be disbursed to shareholders annually (after deduction of administration charges).

As noted in previous annual reports, the Bruce Lake development has been named The Griffith Mine and Pickands Mather & Co. are the managing agents for The Steel Company of Canada, Limited. The managing agents have reported to the Company that \$23,591,446 was expended during 1966 for "drilling, development and construction". Stelco in their quarterly report to shareholders for the quarter ended September 30, 1966 stated "development of the Griffith iron ore mine is progressing satisfactorily and production should begin early in 1968".

With construction of the mining plant well advanced and the creation of The Iron Bay Trust, your Directors feel that this chapter of the Company's history is almost complete. The Directors view the past with a sense of accomplishment in that a property has been brought from a raw prospect to the verge of a mining complex. The Directors are equally optimistic about the future and feel that the assets and income retained in the Company will provide the foundation for an important future.

On behalf of the Board,

A. C. MOSHER,

*President.*

March 23, 1967.

RIDDELL, STEAD, GRAHAM & HUTCHISON  
CHARTERED ACCOUNTANTS

48 YONGE STREET  
TORONTO 1, ONTARIO

AUDITORS' REPORT

To the Shareholders  
CALMOR IRON BAY MINES LIMITED

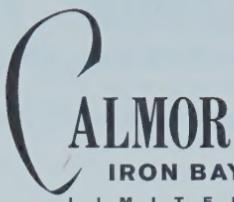
We have examined the accompanying financial statements of Calmor Iron Bay Mines Limited (formerly Iron Bay Mines Limited) for the year ended December 31, 1966 comprising the balance sheet as at that date and the statement of operations and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

RIDDELL, STEAD, GRAHAM & HUTCHISON,  
Chartered Accountants.

February 24, 1967.



  
**CALMOR**  
**IRON BAY MINES**  
**L I M I T E D**  
 (formerly Iron Bay Mines Limited)

## BALANCE SHEET AS AT DECEMBER 31, 1966

### ASSETS

#### CURRENT

Cash .....	\$ 1,410
Short term bonds and notes, at cost (which approximates market)	55,213
Accounts receivable .....	925
	<u>57,548</u>

#### INVESTMENT IN ASSOCIATED COMPANY

400,000 shares of Chimo Gold Mines Limited, at cost (quoted market value \$360,000) .....	298,075
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#### MINING PROPERTIES — Notes 1 and 2

20% interest in 123 mining claims in the Bruce Lake area, District of Kenora, at the value appraised by A. H. Ross & Associates on July 20, 1966. The basis of the valuation was an appraisal of the present value of the anticipated net income from royalties under the property lease .....	987,181
	<u>\$1,342,804</u>

### LIABILITIES

#### CURRENT

Accounts payable .....	\$ 28,489
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### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK — Note 1

##### Authorized

3,000,000 shares of no par value

##### Issued

2,560,005 shares (including 50,000 shares issued during the year for cash) .....

\$1,369,393

DEFICIT .....	55,078	1,314,315
	<u>55,078</u>	<u>\$1,342,804</u>

*On behalf of the Board:*

A. C. MOSHER, Director.

F. W. GRAHAM, Director.

  
**CALMOR**  
IRON BAY MINES  
LIMITED  
(formerly Iron Bay Mines Limited)

## STATEMENT OF OPERATIONS AND DEFICIT

For the Year Ended December 31, 1966

### ADMINISTRATIVE EXPENSES

Audit fees .....	\$ 250
Legal fees .....	900
Office and general .....	4,473
Office rent .....	1,144
Registrar and transfer fees .....	2,320
Reports to shareholders .....	2,196
Salaries .....	7,415
Telephone .....	444
Travel .....	4,432
	<u>23,574</u>
Deduct investment income .....	891
	<u>22,683</u>
Costs of corporate reorganization .....	32,395
Net expenses .....	<u>55,078</u>
Deficit beginning of year .....	\$ 65,353
Transfer from appraisal surplus (Note 1(b)) .....	<u>65,353</u> —
Deficit at end of year .....	<u><u>\$ 55,078</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 1966

### NOTE 1

During the year the Company was reorganized so that an 80% interest in the Company's mining properties was transferred to a trust for the benefit of the shareholders.

A summary of the details of the reorganization is provided below:


- (a) The mining property was revalued from cost to its appraised value of \$4,935,903 and an 80% interest in the property was transferred to the trustees of The Iron Bay Trust in exchange for Trust Shares. The remaining 20% interest in the property is retained by the Company and is recorded at 20% of its appraised value, viz. \$987,181.
- (b) The difference between the cost value of the property (\$889,940) and its appraised value (\$4,935,903), amounting to \$4,045,963, was recorded as an appraisal surplus. The appraisal surplus was used in its entirety to:
  - (i) eliminate the Company's deficit at the beginning of the year of \$65,353, and
  - (ii) pay a stock dividend valued at \$3,980,610.
- (c) The Company's authorized capital was changed from shares with a \$1 par value to shares without par value and was consolidated on a 1 for 2 basis so that the 6,000,000 shares authorized became 3,000,000 shares.
- (d) The issued capital of the Company was reduced from \$5,318,115 to \$1,369,393 by the distribution to shareholders of 2,560,005 Trust Shares of The Iron Bay Trust valued at \$3,948,722.
- (e) The Company's name was changed to Calmor Iron Bay Mines Limited.

A summary of the capital account for the year reflecting the foregoing changes is as follows:

	Shares		Amount
	Authorized	Issued	
Balance at beginning of year	6,000,000	2,510,005	\$1,282,505
Shares issued on the exercise of options		50,000	55,000
	6,000,000	2,560,005	1,337,505
Stock dividend (noted in (b) (ii) )		2,560,005	3,980,610
	6,000,000	5,120,010	5,318,115
Consolidation of shares on a 1 for 2 basis (noted in (c) )	(3,000,000)	(2,560,005)	
	3,000,000	2,560,005	5,318,115
Reduction of capital by the distribution of 2,560,005 Trust Shares of The Iron Bay Trust (noted in (d) )			3,948,722
Balance at end of year	3,000,000	2,560,005	\$1,369,393

### NOTE 2

The Company's mining properties are leased to The Steel Company of Canada, Limited until April 30, 2040. The terms of the lease provide for a royalty payment to the Company. As a result of the transfer described in Note 1(a), the Company now owns a 20% interest in the lease and it is anticipated that its share of the royalty will amount to 10¢ per ton of iron ore product shipped from the property.



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